

**STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC GROWTH
OFFICE OF FINANCIAL AND INSURANCE SERVICES**

Bulletin 2008-03-INS

In the matter of:

Michigan Property and Casualty Guaranty Association's annual adjustment of the net worth limit and claim cap pursuant to MCL 500.7925(4) and MCL 500.7925(6)

**Issued and entered
this 25th day of March 2008
By Ken Ross
Commissioner**

INFORMATIONAL STATEMENT ISSUED PURSUANT TO 2006 PA 362

The Property and Casualty Guaranty Association Act was amended by 2006 PA 362, effective September 18, 2006, to require the Commissioner of Financial and Insurance Services to certify annually the United States Consumer Price Index (CPI) adjusted calculations of an insured's net worth limit and an insured's covered claim cap. By issuing this Informational Statement, the Commissioner certifies that he has performed the CPI review as of December 31, 2007.

To determine whether an insured's covered claim against the Property and Casualty Guaranty Association (Association) represents an obligation of the Association, MCL 500.7925(4) establishes the insured's net worth limit at \$25,000,000, adjusted annually to reflect the aggregate annual percentage change in the CPI, rounded to the nearest \$10,000. Accordingly, the Commissioner certifies the insured's net worth limit effective January 1, 2008 through December 31, 2008 is \$25,710,000.

MCL 500.7925(6) establishes the insured's covered claim cap at \$5,000,000, adjusted annually by the CPI to reflect the aggregate annual percentage change in the CPI, rounded to the nearest \$10,000. Claims for workers' compensation or personal protection insurance benefits under MCL 500.3107 are excluded from the \$5,000,000.00 claim cap. Accordingly, the Commissioner certifies the insured's covered claims cap effective January 1, 2008 through December 31, 2008 is \$5,140,000.

MCL 500.7925(8)(a) defines the CPI as the index for All Urban Consumers in the United States City Average, as reported by the United States Department of Labor, Bureau of Labor Statistics, and as certified by the Commissioner.

Any questions regarding this bulletin should be directed to:

Office of Financial and Insurance Services
Market Research Division
611 West Ottawa Street
P.O. Box 30220
Lansing, Michigan 48909-7720

A handwritten signature in black ink, appearing to be 'K. Ross', written over a horizontal line.

Phone: (517) -241-6358
Toll Free: (877) 999-6442

Ken Ross
Commissioner of Financial and Insurance Services